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2 RESOLUTION 87-32

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4 RESOLUTION AUTHORIZING AN INITIAL LOAN COMMITMENT

5 WHEREAS, the California Housing Finance Agency staff  
6 has reviewed a loan application from Casa Del Blythe Associates  
7 for Casa Del Blythe under Rental Housing Mortgage Loan Program  
and has recommended to the Lending/Insurance Committee of the  
Board of Directors that such loan be approved; and

8 WHEREAS, the Lending/Insurance Committee has reviewed  
9 that loan application and concurs in the recommendation of the  
staff; and

10 WHEREAS, based upon the recommendation of staff and  
11 the Lending/Insurance Committee, the Board of Directors has  
determined that an initial loan commitment be made to such  
12 project.

13 NOW, THEREFORE, BE IT RESOLVED by the Board of  
Directors of the California Housing Finance Agency:

- 14 (1) The Executive Director, or in the Executive  
15 Director's absence, the Director of Programs of the  
16 California Housing Finance Agency is hereby  
17 authorized to transmit an initial commitment letter,  
subject to the recommended terms and conditions set  
forth in the attached report of CHFA staff dated  
June 13, 1987 for:

18 PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
19 87-40-S	20 Casa Del Blythe Blythe	62	\$2,300,000

- 21 (2) The initial commitment letter shall specifically  
22 state that the commitment is subject to the Agency's  
23 issuance of a final commitment to the sponsor not  
later than 6 months.


- 24 (3) The Executive Director, or in the Executive  
25 Director's absence, the Director of Programs of the  
26 California Housing Finance Agency has the authority  
27 to modify the mortgage amount so stated in this  
resolution by an amount not to exceed seven percent  
(7%) without further Board approval. All other  
changes, including changes in mortgage amount of more

Resolution 87-32

Page 2

than seven percent (7%), must be submitted to the Board for approval.

I hereby certify that this is a true and correct copy of Resolution 87-32 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on July 9, 1987 at Sacramento, California.

ATTEST:   
Secretary

State of California

M E M O R A N D U M

To : Lending/Insurance Committee Date : June 13, 1987

From : A. M. Smith  
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : Casa del Blythe  
Blythe, Riverside County  
CHFA #87-40-S

Action Requested

The purpose of this memorandum is to recommend an Initial Loan Commitment under the Agency's Rental Housing Mortgage Loan Program in the amount of \$2,300,000 to fund development of a 62-unit rental apartment project in the City of Blythe, County of Riverside. The Initial Commitment is predicated upon the Income Loan Analysis, and is intended to provide a preliminary feasibility determination. The sponsor will have 180 days to obtain a Final Loan Commitment. The final application for mortgage financing will be supported by an independent market analysis, MAI appraisal, and will be subject to normal Agency underwriting disciplines.

Background

Mr. Stovall has previously secured a take out commitment from the Agency's Single Family Program for 24 units at 8.2% in the amount of \$1,500,000. However, he did not succeed in securing a construction loan commitment. As a result, he has elected to process the loan package in the Rental Housing Mortgage Loan Program.

The Agency staff is confident the commitment can be transferred to another sponsor without a financial loss to the Agency. Mr. Stovall will be required to provide the Agency with a formal, written request to terminate the Single Family Commitment.

Senior staff authorized a Development Loan on September 5, 1986 in the amount of \$30,000. The proceeds of this loan were pledged for the Single Family Commitment Fee. These funds

will be recaptured by the Agency. The Sponsor has secured the services of Mr. Rich Riel, a housing consultant to expedite and coordinate both the development and financial aspects of the subject project.

### Analysis

The 5.93 acre site is located between 2nd and 3rd Avenue fronting on Adobe Street and 14th Avenue in the City of Blythe. Although, the parcel is located in a rural area there is convenient access with respect to schools, employment, shopping, recreation facilities, freeway access, and business and social services. The development will be comprised of a community building and 16 residential buildings containing:

No. of Units	Bedrooms	Baths
62	2	2

Project amenities will include a community room, passive recreation area, swimming pool, and community laundry facilities. All units will be centrally heated and air conditioned. On-site, covered parking will be provided for vehicles.

It is currently projected that the sponsor will be required to contribute cash equity in the amount of \$909,852. This represents 28.35% of projected development costs. However, the sponsor is currently negotiating with the County of Riverside for financial assistance. It is expected the negotiations will be finalized prior to final commitment and detailed in the narrative memorandum recommending a Final Commitment. At that time, the loan may be transferred to the State/Local Program. Should the loan be submitted under the State/Local Program, the Sponsor's equity contributions will be reduced in proportion to the local government contribution. Any secondary financing will be required to comply with the Agency established policy.

### DEVELOPMENT TEAM ANALYSIS

Developer:           The sponsor will be Casa del Blythe Associates, a California General Partnership.

Fred Stovall has been involved in real estate development since 1977. He owns and operates a professional, full-service security organization whose services are utilized by both the

private and government sectors.

Architect:           The Holt Group

The Holt Group established in 1983 provides architectural/engineering and construction management services. Timothy G. Holt, AIA, President, is a registered architect in the States of California and Michigan. He has extensive experience in all phases of building design and construction.

Contractor:           A contractor acceptable to both the Agency and the construction lender with a Class B California license will be selected prior to Final Commitment.

Consultant:           Rich Riel

Mr. Riel has been involved in various areas of real estate development and housing finance since 1973. He coordinated and structured the sale and financing of over one million dollars of condominiums for the Coastal Commissions Affordable Housing Program. He has also been a member of the faculty at San Diego Community College, lecturing on Real Estate Development.